



House of Representatives

General Assembly

File No. 330

February Session, 2004

Substitute House Bill No. 5505

House of Representatives, March 30, 2004

The Committee on Government Administration and Elections reported through REP. O'ROURKE of the 32nd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE CONTRACTING OUT OF SERVICES IN WATERBURY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (*Effective July 1, 2004*) (a) As used in this section:
- 2 (1) "Agency" means an office, department, division, board,
- 3 commission or other office or officer of the city of Waterbury; and
- 4 (2) "Privatization contract" means an agreement or combination or
- 5 series of agreements between an agency and a nongovernmental
- 6 person or entity, in which such person or entity agrees to provide
- 7 services valued at five hundred thousand dollars or more that are
- 8 substantially similar to and in lieu of services provided, in whole or in
- 9 part, by regular employees of an agency. The term "privatization
- 10 contract" does not include an agreement to provide legal services or
- 11 management consulting only.

12 (b) The Waterbury Financial Planning and Assistance Board shall
13 not approve any privatization contract under section 11 of special act
14 01-1 unless the agency proposing the contract has (1) prepared an
15 analysis of the costs and benefits to such agency of (A) privatizing the
16 services under the contract, and (B) continuing to provide such
17 services through regular employees of the agency, (2) conducted a
18 public hearing on said analysis, and (3) provided employees of the
19 agency an opportunity and the resources to submit a bid to provide
20 such services.

This act shall take effect as follows:	
Section 1	<i>July 1, 2004</i>

GAE *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 05 \$	FY 06 \$
Waterbury	Cost	Potential Significant	Potential Significant

Explanation

The bill requires that before the Waterbury Financial Planning and Assistance Board can approve certain privatization contracts, the board must prepare a cost benefit analysis, conduct a public hearing on the analysis, and provide the employees of the agency an opportunity and the resources to submit a bid to provide such services.

In the event the board proposes to privatize certain services, the board will incur costs to perform a cost benefit analysis. These costs are contingent on size and complexity of the services proposed to be privatized, but could range from \$25,000 - \$60,000.

Additionally, the bill requires the board to provide the resources for the agency to submit a bid to provide such services, if the agency so desires. It is uncertain what type of resources may be required, and the extent of these costs are contingent upon the size and complexity of the bid being prepared, but the costs could range from \$10,000 to \$30,000.

OLR Bill Analysis

sHB 5505

***AN ACT CONCERNING THE CONTRACTING OUT OF SERVICES
IN WATERBURY***

SUMMARY:

The Office of Legislative Research does not analyze Special Acts.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 10 Nay 7